

KING SABATA DALINDYEBO MUNICIPALITY
ANNUAL FINANCIAL STATEMENTS
for the year ended 30 June 2007

REPORT OF THE CHIEF FINANCIAL OFFICER

1. INTRODUCTION

The 2006/2007 financial year is the second year that the municipality reports its financial results according to the new GRAP requirements. For this to be implemented, the services of various consultants were utilised to ensure compliance.

Various projects were undertaken during the financial year to improve financial accountability, inter alia:

- Asset verification
- Correction of External Audit queries
- Improved Internal Controls
- GRAP conversion

The impact of these can be seen in the financial results of the municipality.

2. KEY FINANCIAL INDICATORS

The following indicators give some insight into the financial results for the year under review.

Financial Statement Ratios:

INDICATOR	2007	2006
Surplus / (Deficit) before Appropriations	29 712 970	(97 447 352)
Surplus / (Deficit) at the end of the Year	23 919 146	(133 601 705)
Expenditure Categories as a percentage of Total Expenses:		
Employee Related Costs	51.16%	38.77%
Remuneration of Councilors	4.33%	2.38%
Bad Debts	0.00%	17.68%
Depreciation	9.15%	6.00%
Repairs and Maintenance	1.07%	1.26%
Interest Paid	5.34%	3.04%
Bulk Purchases	15.95%	14.18%
Contracted Services	0.70%	0.57%
Grants and Subsidies Paid	0.00%	0.00%
General Expenses	12.30%	16.12%

Financial Statement Ratios (Continued):

INDICATOR	2007	2006
Current Ratio:		
Creditors Days	241	169
Debtors Days	432	183

3. OPERATING RESULTS

Funds not required in terms of GRAP / GAMAP were written back to the Appropriation Account and shown as prior year adjustments. Refer to note 26.

Details of the operating results per segmental classification of expenditure are included in Appendix "D".

The overall operating results for the year ended 30 June 2007 are as follows:

DETAILS	Actual 2006/2007 R	Actual 2005/2006 R	Percentage Variance %	Budgeted 2006/2007 R	Variance actual/ budgeted %
Income:					
Opening surplus / (deficit)	(13 688 491)	(31 607 033)	56.69%	-	-
Operating income for the year	305 122 015	254 877 614	(19.71)%	281 086 294	8.55%
Appropriations for the year	(22 465 862)	43 298 947	151.89%	-	-
	268 967 662	266 569 528	0.90%	249 978 039	7.60%
Expenditure:					
Operating expenditure for the year	275 409 045	352 324 967	(21.83)%	249 978 039	10.17%
Sundry transfers	-	-	-	-	-
Closing surplus / (deficit)	(133 601 705)	(85 755 439)	55.79%	-	-
	141 807 340	266 569 528	(46.80)%	249 978 039	(43.27)%

4. FINANCING OF CAPITAL EXPENDITURE

The expenditure on Property, Plant and Equipment during the year amounted to R 64 844 424 (2005/2006: R 51,488,749). Full details of Property, Plant and Equipment are disclosed in note number 7 and Appendix B to the Annual Financial Statements.

The capital expenditure of R 64 844 424 was financed as follows:

DETAILS	Actual 2006/2007 R	Actual 2005/2006 R	Percentage Variance %	Budgeted 2006/2007 R	Variance actual/ budgeted %
Capital Replacement Reserve	-	-	-	-	-
External Loans	-	-	-	-	-
Grants and Subsidies	62 835 108	49 722 431	26.37%	-	-
Public Contributions	-	-	-	-	-
Own Funds (Accumulated Surplus)	2 009 316	1 766 317	13.76%	-	-
	64 844 424	51 488 748	25.94%	-	-

Source of funding as a percentage of Total Capital Expenditure:

DETAILS	2007	2006
Capital Replacement Reserve	-	-
External Loans	-	-
Grants and Subsidies	96.90%	96.57%
Public Contributions	-	-
Own Funds (Accumulated Surplus)	3.10%	3.43%

Property, Plant and Equipment is funded to such a great extent from grants and subsidies because the municipality does not have the financial resources to finance capital from its own funds.

5. RECONCILIATION OF BUDGET TO ACTUAL

5.1 Operating Budget:

DETAILS	2007	2006
<i>Variance per Category:</i>		
Budgeted surplus before appropriations	-	-
Revenue variances	24 035 721	4 899 575
Expenditure variances:		
Employee Related Costs	3 756 558	6 238 188
Remuneration of Councilors	-	(8 385 700)
Bad Debts	7 159 114	(51 281 924)
Collection Costs	13 145	(5 891)
Depreciation	(25 197 698)	(21 143 882)
Repairs and Maintenance	5 577 505	4 906 401
Interest Paid	(7 543 791)	(3 143 497)
Bulk Purchases	3 079 057	(20 657 674)
Contracted Services	2 530 435	3 645 959
Grants and Subsidies Paid	-	(16 846)
General Expenses	12 944 070	(12 502 062)
Actual surplus before appropriations	26 354 116	(97 447 352)

DETAILS	2007	2006
<i>Variance per Service Segment:</i>		
Budgeted surplus before appropriations	-	-
Executive and Council	(18 963 862)	(26 842 621)
Finance and Administration	99 146 737	(20 545 110)
Planning and Development	1 958 493	(4 440 858)
Health	(6 347 764)	(10 494 541)
Community and Social Services	(21 736 074)	(5 759 224)
Housing	(856 473)	(792 502)
Public Safety	(26 864 238)	(32 407 668)
Sport and Recreation	(916 062)	(9 891 708)
Environmental Protection	-	1 688 146
Waste Management	(1 250 188)	(15 806 746)
Roads and Transport	(12 971 153)	27 506 372
Water	-	-
Electricity	18 513 554	1 404 951
Other	-	(1 065 843)
Actual surplus before appropriations	29 712 970	(97 447 353)

Details of the operating results per segmental classification of expenditure are included in Appendix "C", whilst operational results per category of expenditure, together with a cryptic explanation of significant variances of more than 10% from budget, are included in Appendix "D".

6. CAPITAL REPLACEMENT RESERVE

The balance of the Capital Replacement Reserve as at 30 June 2007 amounted to R 324,338 (30 June 2006: R 324,338).

The Capital Replacement Reserve replaces the previous statutory funds, like the Capital Development Fund, and is a cash-backed reserve established to enable the municipality to finance future capital expenditure. Cash contributions, depending on the availability of cash, is made annually to the reserve.

The municipality is dependent on external funds (external loans and grants) to finance its annual capital program.

Refer to the Statement of Change in Net Assets for more detail.

7. LONG-TERM LIABILITIES

The outstanding amount of Long-term Liabilities as at 30 June 2007 was R 111 323 867 (30 June 2006: R 100 333 912).

Refer to Note number 1 and Appendix "A" for more detail.

8. CURRENT LIABILITIES

Current Liabilities amounted R 261 138 709 as at 30 June 2007 (30 June 2006: R 257 089 654) and is made up as follows:

Consumer Deposits	Note number 2	128 636
Provisions	Note number 3	33 002 084
Creditors	Note number 4	182 159 912
Unspent Conditional Grants and Receipts	Note number 5	19 656 478
Bank Overdraft	Note number 15	23 944 169
Current Portion of Long-term Liabilities	Note number 1	2 247 431
		<u>261 138 709</u>

Current Liabilities are those liabilities of the municipality due and payable in the short-term (less than 12 months). There is no known reason as to why the municipality will not be able to meet its obligations.

Refer to the indicated Note numbers for more detail.

9. PROPERTY, PLANT AND EQUIPMENT

The net value of Property, Plant and Equipment was R349 916 134 as at 30 June 2007 (30 June 2006: R340 490 209).

Refer to Note number 7 and Appendix B for more detail.

10. INVESTMENTS

The municipality held Investments to the value of R 26 030 356 as at 30 June 2007 (30 June 2006: R 44 375 197).

The bulk of these investments are ring-fenced for purposes of the Capital Replacement Reserve, Self-Insurance Reserve, Unspent Conditional Grants and security for Long-term Liabilities, with the result that no significant amounts are available for own purposes.

Refer to Note number 8 and 14 for more detail.

11. LONG-TERM RECEIVABLES

Long-term Receivables of R 309 284 at 30 June 2007 (30 June 2006: R 532 340) is made up as follows:

Officials: Housing Loans	309 284	532 340
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Refer to Note number 9 for more detail.

12. CURRENT ASSETS

Current Assets amounted to R 211 530 419 as at 30 June 2007 (30 June 2006: R 105 933 725) and is made up as follows:

Inventory	Note number 10	2 284 574
Consumer Debtors	Note number 11	175 310 544
Other Debtors	Note number 12	8 266 715
Non-Current Assets held for sale	Note number 13	-
Call Investment Deposits	Note number 14	10 946 856
VAT	Note number 6	4 508 269
Bank Balances and Cash	Note number 15	10 213 461
		<u>211 530 419</u>

There was an alarming increase in debt for Consumer Debtors. Council's Credit Control Policy will have to be applied strictly and adhered to in all circumstances in order to recover monies due to the municipality.

Refer to the indicated Note numbers for more detail.

13. INTER-GOVERNMENTAL GRANTS

The municipality is dependent on financial aid from other government spheres to finance its annual capital program. Operating grants are utilised to finance indigent assistance.

Refer to Notes number 5, 18, and Appendix E for more detail.

14. GENERAL RECOGNISED ACCOUNTING PRACTICE (GRAP)

In order to adhere to principles and procedures prescribed by law and the directions of National Treasury, the Annual Financial Statements have been converted to the so-called GRAP-format.

15. EXPRESSION OF APPRECIATION

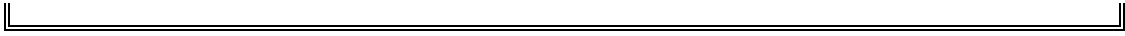
We are grateful to the Executive Mayor, members of the Mayoral Committee, Councilors, the Municipal Manager and Heads of Departments for the support extended during the financial year. A special word of thanks to all staff in the Finance Department, for without their assistance these Annual Financial Statements would not have been possible.

CHIEF FINANCIAL OFFICER

31 August 2007

KING SABATA DALINDYEBO MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2007

	Note	2007 R	2006 R
NET ASSETS AND LIABILITIES			
Net Assets		215 323 612	133 907 217
Capital Replacement Reserve		324 338	324 338
Government Grant Reserve		158 500 736	234 605 192
Revaluation Reserve		32 327 201	32 327 201
Self-Insurance Reserve		252 190	252 190
Accumulated Surplus / (Deficit)		23 919 146	(133 601 705)
Non-Current Liabilities		111 323 867	100 333 912
Long-term Liabilities	1	111 323 867	100 333 912
Current Liabilities		261 138 709	257 089 654
Consumer Deposits	2	128 636	69 186
Provisions	3	33 002 084	24 259 215
Creditors	4	182 159 912	162 707 572
Unspent Conditional Grants and Receipts	5	19 656 478	44 543 136
Bank Overdraft	15	23 944 169	23 645 639
Current Portion of Long-term Liabilities	1	2 247 431	1 864 906
Total Net Assets and Liabilities		587 786 189	491 330 783
ASSETS			
Non-Current Assets		376 255 770	385 397 746
Property, Plant and Equipment	7	349 916 134	340 490 210
Investments	8	26 030 352	44 375 197
Long-term Receivables	9	309 284	532 340
Current Assets		211 530 419	105 933 037
Inventory	10	2 284 574	2 769 810
Consumer Debtors	11	175 310 544	66 523 430
Other Debtors	12	8 266 715	3 231 186
Non-current assets held for sale	13		9 378 741
Call Investment Deposits	14	10 946 856	10 420 855
VAT	6	4 508 269	11 729 981
Bank Balances and Cash	15	10 213 461	1 879 035
Total Assets		587 786 189	491 330 783



KING SABATA DALINDYEBO MUNICIPALITY
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2007

Budget			Actual	
2006 R	2007 R	Note	2007 R	2006 R
REVENUE				
60 784 000	57 494 467	16	57 833 439	51 473 313
83 746 861	85 305 941	17	90 306 459	81 133 147
5 788 155	8 342 632		9 064 375	6 736 508
500 000	200 000		924 399	805 311
1 000 000	200 000		-	-
1 201 800	1 850 000		467 397	147 279
2 587 500	3 390 300		5 086 970	5 041 502
59 987 790	100 374 590	18	137 006 798	106 891 205
3 726 121	22 371 623	19	2 302 978	2 634 869
27 006 562			-	-
3 649 250	1 556 741		2 129 200	14 482
249 978 039	281 086 294	Total Revenue	305 122 015	254 877 614
EXPENDITURE				
142 845 844	144 668 767	20	140 912 209	136 607 656
-	11 919 985	21	11 919 985	8 385 700
11 000 000	7 159 114		-	62 281 924
-	13 145		-	5 891
-	-		25 197 698	21 143 882
9 334 158	8 520 749		2 943 244	4 427 757
7 565 935	7 161 743	22	14 705 534	10 709 432
29 306 285	47 000 000	23	43 920 943	49 963 959
5 638 735	4 471 973		1 941 538	1 992 776
-	-	24	-	16 846
44 287 082	46 811 964		33 867 894	56 789 144
249 978 039	277 727 440	Total Expenditure	275 409 045	352 324 967
-	3 358 854	SURPLUS / (DEFICIT) FOR THE YEAR	29 712 970	(97 447 352)
Refer to Appendix E(1) for explanation of variances				

KING SABATA DALINDYEBO MUNICIPALITY
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 R	2006 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		263 627 072	192 081 724
Cash paid to suppliers and employees		(132 464 190)	(185 870 281)
Cash generated from/(utilised in) operations	28	<u>131 162 882</u>	<u>6 211 443</u>
Interest received		924 399	805 311
Interest paid		(14 705 534)	(10 709 432)
NET CASH FROM OPERATING ACTIVITIES		<u>117 381 747</u>	<u>(3 692 678)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(64 844 424)	(51 488 749)
Proceeds on disposal of property, plant and equipment		2 129 200	466 482
Transfer of PPE to Non-current assets held for sale		-	9 378 741
(Increase)/decrease in non-current receivables		223 056	18 711
(Increase)/decrease in non-current investments		18 344 845	(1 938 552)
(Increase)/decrease in call investment deposits		(526 002)	(420 855)
NET CASH FROM INVESTING ACTIVITIES		<u>(44 673 325)</u>	<u>(43 984 222)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised/(repaid)		10 989 955	10 022 670
Increase/(decrease) in consumer deposits		59 450	(2 373 831)
Increase/(decrease) in Funds and Reserves		(76 104 456)	35 108 338
Increase/(decrease) in Trust Funds		-	-
(Increase)/decrease in short-term loans		382 525	(955 426)
NET CASH FROM FINANCING ACTIVITIES		<u>(64 672 526)</u>	<u>41 801 751</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS		<u>8 035 896</u>	<u>(5 875 149)</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF THE YEAR		<u>(21 766 604)</u>	<u>(15 891 455)</u>
CASH AND CASH EQUIVALENTS - END OF THE YEAR	29	<u>(13 730 708)</u>	<u>(21 766 604)</u>

KING SABATA DALINDYEBO MUNICIPALITY
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2007

Description	Pre-GAMAP Reserves and Funds	Housing Development Fund	Capital Replacement Reserve	Capitalisation Reserve	Government Grant Reserve	Donations and Public Contr Reserve	Self Insurance Reserve	Revaluation Reserve	Accumulated Surplus / (Deficit)	Total
2006	R	R	R	R	R	R	R	R	R	R
Restated balance	-	-	-	-	200 073 383	-	-	-	(13 688 491)	186 384 892
Net surplus/(deficit) for the year	-	-	-	-	-	-	-	-	(97 447 352)	(97 447 352)
Transfer to CRR	-	-	324 338	-	-	-	-	-	(324 338)	-
Capital grants used to purchase PPE	-	-	-	-	49 722 431	-	-	-	(49 722 431)	-
Revaluation of PPE	-	-	-	-	-	-	-	32 230 734	-	32 230 734
Asset disposals	-	-	-	-	-	-	-	96 467	(96 467)	-
Contribution to Insurance Reserve	-	-	-	-	-	-	252 190	-	(252 190)	-
Correction of error (Note 27)	-	-	-	-	-	-	-	-	12 738 943	12 738 943
Offsetting of depreciation	-	-	-	-	(15 190 622)	-	-	-	15 190 622	-
Balance at 30 June 2006	-	-	324 338	-	234 605 192	-	252 190	32 327 201	(133 601 705)	133 907 217
	R	R	R	R	R	R	R	R	R	R
2007										
Restated balance	-	-	324 338	-	234 605 192	-	252 190	32 327 201	(133 601 705)	133 907 217
Net surplus/(deficit) for the year	-	-	-	-	-	-	-	-	29 712 970	29 712 970
Difference in opening balance	-	-	(0)	-	-	-	-	(0)	(12 275 013)	(12 275 013)
Capital grants used to purchase PPE	-	-	-	-	(75 084 047)	-	-	-	-	(75 084 047)
Revaluation of PPE	-	-	-	-	-	-	-	-	-	-
Asset disposals	-	-	-	-	-	-	-	-	-	-
Contribution to Insurance Reserve	-	-	-	-	-	-	-	-	139 062 485	139 062 485
Correction of error (Note 27)	-	-	-	-	-	-	-	-	-	-
Offsetting of depreciation	-	-	-	-	(1 020 409)	-	-	-	1 020 409	-
Balance at 30 June 2007	-	-	324 338	-	158 500 736	-	252 190	32 327 201	23 919 146	215 323 612

KING SABATA DALINDYEBO MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
1 LONG TERM LIABILITIES		
Local Registered Stock	36 980 600	36 980 600
Annuity Loans	11 910 631	13 349 793
Lease Liabilities	751 958	1 114 017
Accrued interest on long-term liabilities	63 928 110	50 754 409
Sub-total	<u>113 571 298</u>	<u>102 198 818</u>
Less: Current Portion transferred to Current Liabili	2 247 431	1 864 906
Annuity Loans	<u>2 247 431</u>	<u>1 864 906</u>
Lease Liabilities		
Total External Loans	<u>111 323 867</u>	<u>100 333 912</u>
(Refer to Appendix A for more detail on long-term liabilities.)		
2 CONSUMER DEPOSITS		
Electricity	128 636	69 186
Total Consumer Deposits	<u>128 636</u>	<u>69 186</u>
3 CURRENT PROVISIONS		
Performance Bonus	1 166 489	922 506
Provision for Cleaning of Illegal Dumping	5 685 400	2 185 400
Provision for Clearing of Alien Vegetation	5 800 000	2 900 000
Provision for Staff Leave	20 350 196	18 251 309
Total Current Provisions	<u>33 002 084</u>	<u>24 259 215</u>
The movement in current provisions are reconciled as follows:		
Performance Bonus		
Balance at beginning of year	922 506	-
Transfer from non-current	-	-
Contributions to provision	243 983	922 506
Expenditure incurred	-	-
Balance at end of year	<u>1 166 489</u>	<u>922 506</u>
Cleaning of Illegal Dumping		
Balance at beginning of year	2 185 400	-
Transfer from non-current	-	-
Contributions to provision	3 500 000	2 185 400
Expenditure incurred	-	-
Balance at end of year	<u>5 685 400</u>	<u>2 185 400</u>
Clearing of Alien Vegetation		
Balance at beginning of year	2 900 000	-
Transfer from non-current	-	-
Contributions to provision	2 900 000	2 900 000
Expenditure incurred	-	-

Balance at end of year	5 800 000	2 900 000
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KING SABATA DALINDYEBO MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
Staff leave		
Balance at beginning of year	18 251 309	18 251 309
Transfer from non-current	-	-
Contributions to provision	8 217 400	-
Expenditure incurred	(6 118 514)	-
Balance at end of year	20 350 196	18 251 309

4 CREDITORS

Trade Creditors	78 369 057	145 062 690
Other Creditors	94 464 865	8 318 892
Prepaid Income	9 325 990	9 325 990
Total Creditors	182 159 912	162 707 572

5 UNSPENT CONDITIONAL GRANTS AND RECEIPTS

**5.1 Conditional Grants from
Other Spheres of Government**

	19 656 478	44 543 136
National Government Grants	14 060 886	22 034 581
Provincial Government Grants	5 595 592	22 490 478
Other Sources	0	18 077

Total Conditional Grants and Receipts	19 656 478	44 543 136
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See Note 18 for a reconciliation of grants from other spheres of government.
These amounts are invested in ring-fenced investments until utilized.

6 VAT

VAT Receivable	4 508 269	11 729 981
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VAT is refundable on the payment basis. Only once the payment is made to creditors is VAT claimed from SARS.

KING SABATA DALINDYEBO MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

7 PROPERTY, PLANT AND EQUIPMENT

The Municipality has taken advantage of the transitional provisions set out in GAMAP 17. The Municipality is in the process of itemising all infrastructure and community assets

30 June 2007

Reconciliation of Carrying Value

Description	Land and Buildings	Infra-structure	Community	Heritage	Other	Housing	Leased Infra-structure	Total
	R	R	R	R	R	R	R	R
Carrying values at 1 July 2006	28 048 695	248 244 290	54 667 188	-	5 785 035	3 745 001	-	340 490 210
Cost	16 476 757	287 354 464	53 757 184	-	23 890 193	2 097 000	-	383 575 598
Correction of error	-	-	-	-	-	-	-	-
Revaluation	13 647 200	1 675 368	14 205 967	-	-	2 798 667	-	32 327 201
Accumulated depreciation:	(2 075 262)	(40 785 541)	(13 295 962)	-	(18 105 158)	(1 150 666)	-	(75 412 590)
- Cost	(2 075 262)	(40 785 541)	(13 295 962)	-	(18 105 158)	(1 150 666)	-	(75 412 590)
- Revaluation	-	-	-	-	-	-	-	-
Acquisitions	-	59 692 323	2 714 452	-	2 437 648	-	-	64 844 424
Capital under construction	-	-	-	-	-	-	-	-
Increases/decreases in revaluation	-	-	-	-	-	-	-	-
Depreciation:	(917 560)	(19 254 681)	(2 361 522)	-	(2 077 108)	(586 826)	-	(25 197 697)
- based on cost	(917 560)	(19 254 681)	(2 361 522)	-	(2 077 108)	(586 826)	-	(25 197 697)
- based on revaluation	-	-	-	-	-	-	-	-
Carrying value of disposals:	-	-	-	-	-	-	-	-
Cost/revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-	-
Non-current assets held for sale	-	-	-	-	-	9 344 000	-	9 344 000
Cost/revaluation	-	-	-	-	-	11 577 000	-	11 577 000
Accumulated depreciation	-	-	-	-	-	(2 233 000)	-	(2 233 000)
Impaired losses	-	-	-	-	-	-	-	-
Other movements	-	-	-	-	-	-	-	-
Carrying values at 30 June 2007	27 131 135	288 681 933	55 020 118	-	6 145 575	12 502 175	-	389 480 936
Cost	16 476 757	347 046 787	56 471 636	-	26 327 842	13 674 000	-	459 997 022
Revaluation	13 647 200	1 675 368	14 205 967	-	-	2 798 667	-	32 327 201
Accumulated depreciation:	(2 992 822)	(60 040 222)	(15 657 485)	-	(20 182 267)	(3 970 492)	-	(102 843 287)
- Cost	(2 992 822)	(60 040 222)	(15 657 485)	-	(20 182 267)	(3 970 492)	-	(102 843 287)
- Revaluation	-	-	-	-	-	-	-	-

30 June 2006

Reconciliation of Carrying Value

Description	Land and Buildings	Infra-structure	Community	Heritage	Other	Housing	Leased Infra-structure	Total
	R	R	R	R	R	R	R	R
Carrying values at 1 July 2005	15 363 056	214 601 263	41 860 434	-	5 861 429	11 465 600	-	289 151 782
Cost	16 520 757	239 972 112	52 173 426	-	22 664 410	14 332 000	-	345 662 704
Correction of error	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Accumulated depreciation:	(1 157 701)	(25 370 849)	(10 312 992)	-	(16 802 980)	(2 866 400)	-	(56 510 922)
- Cost	(1 157 701)	(25 370 849)	(10 312 992)	-	(16 802 980)	(2 866 400)	-	(56 510 922)
- Revaluation	-	-	-	-	-	-	-	-
Acquisitions	-	47 382 352	1 583 758	-	2 522 639	-	-	51 488 749
Capital under construction	-	-	-	-	-	-	-	-
Increases/decreases in revaluation	13 647 200	1 675 368	14 205 967	-	-	2 798 667	-	32 327 201
Depreciation:	(917 560)	(15 414 693)	(1 769 603)	-	(2 564 292)	(477 733)	-	(21 143 882)
- based on cost	(917 560)	(15 414 693)	(1 769 603)	-	(2 564 292)	(477 733)	-	(21 143 882)
- based on revaluation	-	-	-	-	-	-	-	-
Carrying value of disposals:	(44 000)	-	-	-	-	(504 467)	-	(548 467)
Cost/revaluation	(44 000)	-	-	-	-	(658 000)	-	(702 000)
Accumulated depreciation	-	-	-	-	-	153 533	-	153 533
Non-current assets held for sale	-	-	-	-	(34 741)	(9 344 000)	-	(9 378 741)
Cost/revaluation	-	-	-	-	(1 296 855)	(11 577 000)	-	(12 873 855)
Accumulated depreciation	-	-	-	-	1 262 114	2 233 000	-	3 495 114
Impaired losses	-	-	(1 213 367)	-	-	(193 066)	-	(1 406 433)
Other movements	-	-	-	-	-	-	-	-
Carrying values at 30 June 2006	28 048 695	248 244 290	54 667 188	-	5 785 035	3 745 001	-	340 490 210
Cost	16 476 757	287 354 464	53 757 184	-	23 890 193	2 097 000	-	383 575 598
Revaluation	13 647 200	1 675 368	14 205 967	-	-	2 798 667	-	32 327 201
Accumulated depreciation:	(2 075 262)	(40 785 541)	(13 295 962)	-	(18 105 158)	(1 150 666)	-	(75 412 590)
- Cost	(2 075 262)	(40 785 541)	(13 295 962)	-	(18 105 158)	(1 150 666)	-	(75 412 590)
- Revaluation	-	-	-	-	-	-	-	-

Land and Buildings: Land and buildings were revalued to fair value based on Municipal valuations. The effective date of the revaluation was 30 June 2006. The revaluations was performed by Khanyisa Properties and management Services who are registered independent property valuers. The revaluation process included market valuations. The revaluation process included market values of the land, cost of material, location, income potential and the size of the land.

The revaluation surplus is reconciled as follows:

	2007 R	2006 R
Balance at beginning of year	-	-
Surplus realised	32 327 201	32 327 201
Balance at end of year	32 327 201	32 327 201

Refer to appendix B for more detail on property, plant and equipment

KING SABATA DALINDYEBU MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
8 INVESTMENTS		
Unlisted	24 737 331	43 106 206
	<u>24 737 331</u>	<u>43 106 206</u>
Financial Instruments		
Fixed Deposits	1 293 021	1 268 991
	<u>1 293 021</u>	<u>1 268 991</u>
Total Investments	<u>26 030 352</u>	<u>44 375 197</u>

Unlisted investments of R 324,338 and R 252,190 are ring-fenced and attributable to Capital Replacement Reserve and Self Insurance Reserve respectively

9 LONG-TERM RECEIVABLES

Officials: Housing Loans	309 284	532 340
	<u>309 284</u>	<u>532 340</u>
Less: Current Portion transferred to Current Receivables	-	-
Officials: Housing Loans	<u>-</u>	<u>-</u>
Total Long-term Receivables	<u>309 284</u>	<u>532 340</u>

HOUSING LOANS

No Housing Loans are granted to officials of the municipality anymore. The outstanding amount is still collectable.

10 INVENTORY

Consumable Stores - at cost	2 284 574	2 769 810
Total Inventory	<u>2 284 574</u>	<u>2 769 810</u>

11 CONSUMER DEBTORS

	Gross Balances	Provision for Bad Debts	Net Balance
As at 30 June 2007			
Service Debtors:	221 702 720	66 253 143	155 449 577
Assessment Rates	72 999 953	21 869 347	51 130 606
Refuse	37 617 514	11 285 765	26 331 749
Sewerage	11 461 095	3 434 183	8 026 912
Electricity	28 958 467	8 357 740	20 600 727
Other	35 421 067	10 649 926	24 771 141
Water	35 244 623	10 656 182	24 588 441
Housing Rentals	28 262 124	8 401 157	19 860 967
Total Consumer Debtors	<u>249 964 844</u>	<u>74 654 300</u>	<u>175 310 544</u>

KING SABATA DALINDYEBU MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	Gross Balances	Provision for Bad Debts	Net Balance
As at 30 June 2006			
Service Debtors:	215 238 026	155 175 749	60 062 277
Assessment Rates	64 508 949	46 507 695	18 001 254
Refuse	31 574 546	22 763 654	8 810 893
Sewerage	15 130 514	10 908 336	4 222 177
Electricity	16 439 736	11 852 220	4 587 516
Other	48 276 550	34 804 955	13 471 595
Water	39 307 732	28 338 890	10 968 842
Housing Rentals	23 154 062	16 692 910	6 461 152
Total Consumer Debtors	238 392 089	171 868 659	66 523 430

	2007 R	2006 R
Rates: Ageing		
Current	5 177 340	4 892 939
Previous (0 - 30 days)	2 325 753	1 200 420
31 - 60 Days	1 853 437	1 137 992
61 - 90 Days	1 733 396	1 050 432
+ 90 Days	61 807 898	56 227 166
Total	72 897 824	64 508 949

Refuse: Ageing		
Current	1 932 876	2 976 723
Previous (0 - 30 days)	904 927	724 769
31 - 60 Days	765 660	695 825
61 - 90 Days	713 581	618 324
+ 90 Days	33 302 173	26 558 905
Total	37 619 217	31 574 546

Sewerage: Ageing		
Current	(42 461)	(143 833)
Previous (0 - 30 days)	40 854	-
31 - 60 Days	-	2 978
61 - 90 Days	-	-
+ 90 Days	11 448 882	15 271 369
Total	11 447 275	15 130 514

Electricity: Ageing		
Current	3 645 974	1 660 494
Previous (0 - 30 days)	5 509 600	641 922
31 - 60 Days	702 459	442 232
61 - 90 Days	770 355	333 317
+ 90 Days	17 230 747	13 361 771
Total	27 859 135	16 439 736

KING SABATA DALINDYEBU MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

Other: Ageing

Current	(7 272 210)	(8 967 441)
Previous (0 - 30 days)	3 227	4 883
31 - 60 Days	965	-
61 - 90 Days	120 449	-
+ 90 Days	42 647 322	57 283 649
Total	35 499 753	48 321 091

Water: Ageing

Current	(510 392)	(1 500 576)
Previous (0 - 30 days)	3 216	9 742
31 - 60 Days	129	-
61 - 90 Days	27 780	-
+ 90 Days	35 999 873	40 798 566
Total	35 520 606	39 307 732

Housing rentals: Ageing

Current	91 848	1 109 533
Previous (0 - 30 days)	84 892	507 687
31 - 60 Days	576 358	449 999
61 - 90 Days	546 476	451 940
+ 90 Days	26 204 282	20 634 903
Total	27 503 856	23 154 062

Summary of Debtors by Customer Classification

	Consumers	Industrial/ Commercial	National and Provincial Government
30 June 2007	R	R	R
Current (0 - 30 days)	524 797	1 833 312	664 865
31 - 60 Days	3 744 882	4 941 919	685 668
61 - 90 Days	3 038 858	631 174	228 976
91 - 120 Days	3 032 953	597 489	281 595
+ 120 Days	200 045 530	11 970 881	16 624 766
Sub-total	210 387 020	19 974 775	18 485 870
Less: Provision for bad debts	63 116 106	5 992 433	5 545 761
Total Debtors by Customer Classification	147 270 914	13 982 342	12 940 109

	Consumers	Industrial/ Commercial	National and Provincial Government
30 June 2006	R	R	R
Current (0 - 30 days)	3 925 941	2 062 784	83 130
31 - 60 Days	2 440 199	291 269	161 011
61 - 90 Days	2 260 932	212 069	137 054
91 - 120 Days	194 391 217	15 428 563	16 997 921
+ 120 Days	-	-	-
Sub-total	203 018 288	17 994 685	17 379 116
Less: Provision for bad debts	146 365 935	12 973 259	12 529 465
Total Debtors by Customer Classification	56 652 353	5 021 426	4 849 651

KING SABATA DALINDYEBO MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	R	R
12 OTHER DEBTORS		
Sundry Debtors	8 266 715	3 231 186
Total Other Debtors	<u><u>8 266 715</u></u>	<u><u>3 231 186</u></u>

13 NON-CURRENT ASSETS HELD FOR SALE

Exemption on non-current assets held for sale was fully implemented by the KSDM. Refer to note 41.

14 CALL INVESTMENT DEPOSITS

Unlisted 88 Day Call Account	<u><u>10 946 856</u></u>	<u><u>10 420 855</u></u>
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An amount of R 10,000,000 of Investments is serving as security of the overdraft facility.

15 BANK, CASH AND OVERDRAFT BALANCES

The Municipality has the following bank accounts:

MEEG Bank

Account Number 4048218780 (Primary Bank Account):

Cash book balance at beginning of year	(23 645 639)	(31 191 438)
Cash book balance at end of year	<u><u>(23 944 169)</u></u>	<u><u>(23 645 639)</u></u>

Bank statement balance at beginning of year	(7 324 786)	(10 154 200)
Bank statement balance at end of year	<u><u>11 184 365</u></u>	<u><u>(7 324 786)</u></u>

Account Number 4048400474 (IGG Call Account):

Cash book balance at beginning of year	1 876 835	15 246 782
Cash book balance at end of year	<u><u>176 120</u></u>	<u><u>1 876 835</u></u>

Bank statement balance at beginning of year	1 876 835	15 246 782
Bank statement balance at end of year	<u><u>176 120</u></u>	<u><u>1 876 835</u></u>

Account Number MEEG BANK

Cash book balance at beginning of year	-	
Cash book balance at end of year	<u><u>3 378 789</u></u>	

Bank statement balance at beginning of year	-	
Bank statement balance at end of year	<u><u>1 512 232</u></u>	

KING SABATA DALINDYEBO MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
Account Number FNB 62090323636:		
Cash book balance at beginning of year	-	
Cash book balance at end of year	<u>6 656 351</u>	
Bank statement balance at beginning of year		
Bank statement balance at end of year	<u>5 872 098</u>	
Cash on hand in Cash Floats and Advances	<u>2 200</u>	<u>2 200</u>
Total Bank and Cash	10 213 461	1 879 035
Total Overdraft	(23 944 169)	(23 645 639)
Total Bank and Cash	<u>(21 889 013)</u>	<u>(19 889 768)</u>

16 PROPERTY RATES

Actual		
Residential	27 385 568	24 469 925
Commercial	9 842 841	11 260 657
Municipal	4 274 111	3 716 498
State (Government Departments)	16 330 919	12 026 233
Total Assessment Rates	<u>57 833 439</u>	<u>51 473 313</u>
	July 2007	July 2006
Valuations	R	R
Residential	1 098 245 346	1 098 245 346
Commercial	605 990 179	605 990 179
Agricultural	2 649 445	2 649 445
State	606 869 732	606 869 732
Exempted properties	92 998 491	92 998 491
Municipal	59 535 502	59 535 502
Total Property Valuations	<u>2 466 288 695</u>	<u>2 466 288 695</u>

Assessment Rates are levied on the value of land and improvements, which valuation is performed every four years. The last valuation came into effect on 1 July 1999. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions. The last interim valuation came into effect on 1 May 2005.

A general rate of 0,215 c/R, 0,219 c/R, and 0,0308 c/R is applied during 2006/2007 to property valuations to determine assessment rates for domestic, commercial, agricultural and state respectively. The general rate of 0,0195 c/R, 0,0199 c/ and 0,0280 c/R was applied during 2005/2006. Rebates of 10% are applied to domestic consumers.

Rates are levied monthly and are payable at the end of the following month. No interest is charged on rates.

KING SABATA DALINDYEBO MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
17 SERVICE CHARGES		
Sale of Electricity	78 249 377	69 729 387
Refuse Removal	12 057 082	11 403 760
Total Service Charges	90 306 459	81 133 147

18 GOVERNMENT GRANTS AND SUBSIDIES

Provincial Equitable Share	55 091 718	55 310 879
Provincial Health Subsidies	5 144 633	-
Grants and subsidies	18 530 257	-
Government - Capital Projects	58 240 190	51 580 326
<i>National: MIG Grant</i>	6 556 225	35 535 966
<i>Provincial - Department of Transport - Consolidated Metro Grant</i>	1 010 381	3 799 304
<i>National - Finance Management Grant</i>	912 456	2 207 227
<i>National - Mqanduli Milling Project Grant</i>	98 397	499 545
<i>Provincial: Municipal Support Grant (MSP)</i>	1 000 000	748 884
<i>Provincial: Urban Renewal Grant</i>	5 840 852	675 589
<i>National: Tornado Damage Grant (NER)</i>	6 588 576	4 267 621
<i>Provincial: Disaster Management Grant</i>	994 432	1 416 858
<i>Provincial: Intervention Grant</i>	655	639
<i>National: Waste Water Feasibility Study</i>	-	400 694
<i>Provincial: Drivers Testing Ground</i>	-	18 777
<i>Provincial: Informal Settlement Plan Grant</i>	-	185 254
<i>Other: Integrated Development Plan Grant</i>	-	538 962
<i>Provincial: Ngangelizwe Nightsoil Conversion Grant</i>	-	104 462
<i>Provincial: Spatial Development Grant</i>	-	260 323
<i>Provincial: Vehicle Testing Station Grant</i>	-	592 367
<i>Other: Masakane Youth Eco Action Fund</i>	-	46 730
<i>Other: Mnweba Relief Grant</i>	18 145	292
<i>National: KSD Stadium Grant</i>	1 860 000	130 832
<i>Provincial: Municipal Systems Improvement Grant</i>	131 237	150 000
<i>Provincial - MIG- Rehabilitation of Solid Waste Site</i>	3 431 825	
<i>National - MIG - MIG Projects</i>	6 097 589	
<i>National - NER - Various Electrical Projects</i>	23 400 866	
<i>Provincial -NHB - Kuyasa Housing</i>	57 600	
<i>National - DBSA</i>	240 954	
Total Government Grants and Subsidies	137 006 798	106 891 205

18.1 National: MIG Grant

Balance unspent at beginning of year	6 447 792	12 543 382
Current year receipts	212 566	29 440 376
Conditions met - transferred to revenue	(6 556 225)	(35 535 966)
Conditions still to be met - transferred to liabilities (see note 5)	104 134	6 447 792

KING SABATA DALINDYEBO MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
18.2 Provincial - Department of Transport - Consolidated Metro Grant		
Balance unspent at beginning of year	4 182 002	7 792 575
Current year receipts - included in roads maintenance vote	382 173	188 731
Conditions met - transferred to revenue	(1 010 381)	(3 799 304)
Conditions still to be met - transferred to liabilities (see note 5)	<u>3 553 795</u>	<u>4 182 002</u>
18.3 National - Finance Management Grant		
Balance unspent at beginning of year	291 923	1 457 355
Current year receipts	559 175	1 041 795
Conditions met - transferred to revenue	(912 456)	(2 207 227)
Conditions still to be met - transferred to liabilities (see note 5)	<u>(61 358)</u>	<u>291 923</u>
18.4 National - Mqanduli Milling Project Grant		
Balance unspent at beginning of year	823 286	1 002 951
Current year receipts	30 160	319 880
Conditions met - transferred to revenue	(98 397)	(499 545)
Conditions still to be met - transferred to liabilities (see note 5)	<u>755 049</u>	<u>823 286</u>
18.5 Provincial: Municipal Support Grant (MSP)		
Balance unspent at beginning of year	725 693	503 639
Current year receipts	1 724 077	970 938
Conditions met - transferred to revenue	(1 000 000)	(748 884)
Conditions still to be met - transferred to liabilities (see note 5)	<u>1 449 770</u>	<u>725 693</u>
18.6 Provincial: Urban Renewal Grant		
Balance unspent at beginning of year	5 529 859	6 051 967
Current year receipts	3 502 294	153 481
Conditions met - transferred to revenue	(5 840 852)	(675 589)
Conditions still to be met - transferred to liabilities (see note 5)	<u>3 191 301</u>	<u>5 529 859</u>
18.7 National: Tornado Damage Grant (NER)		
Balance unspent at beginning of year	7 116 674	3 754 639
Current year receipts	7 728	7 629 656
Conditions met - transferred to revenue	(6 588 576)	(4 267 621)
Conditions still to be met - transferred to liabilities (see note 5)	<u>535 826</u>	<u>7 116 674</u>
18.8 Provincial: Disaster Management Grant		
Balance unspent at beginning of year	3 692 173	1 454 273
Current year receipts	1 343 948	3 654 758
Conditions met - transferred to revenue	(994 432)	(1 416 858)
Conditions still to be met - transferred to liabilities (see note 5)	<u>4 041 689</u>	<u>3 692 173</u>

KING SABATA DALINDYEBO MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	R	R
18.9 Provincial: Intervention Grant		
Balance unspent at beginning of year	2 003 343	2 002 980
Current year receipts	4 722	1 002
Conditions met - transferred to revenue	(655)	(639)
Conditions still to be met - transferred to liabilities (see note 5)	<u>2 007 409</u>	<u>2 003 343</u>
18.10 National: Aerial Photography Grant		
Balance unspent at beginning of year	-	399 774
Current year receipts		920
Conditions met - transferred to revenue		(400 694)
Conditions still to be met - transferred to liabilities (see note 5)	<u>-</u>	<u>-</u>
18.11 Provincial: Drivers Testing Ground		
Balance unspent at beginning of year	-	18 768
Current year receipts		9
Conditions met - transferred to revenue		(18 777)
Conditions still to be met - transferred to liabilities (see note 5)	<u>-</u>	<u>-</u>
18.12 Provincial: Informal Settlement Plan Grant		
Balance unspent at beginning of year	-	184 861
Current year receipts		393
Conditions met - transferred to revenue		(185 254)
Conditions still to be met - transferred to liabilities (see note 5)	<u>-</u>	<u>-</u>
18.13 Other: Integrated Development Plan Grant		
Balance unspent at beginning of year	-	537 764
Current year receipts		1 198
Conditions met - transferred to revenue		(538 962)
Conditions still to be met - transferred to liabilities (see note 5)	<u>-</u>	<u>-</u>
18.14 Provincial: Ngangelizwe Nightsoil Conversion Grant		
Balance unspent at beginning of year	-	104 321
Current year receipts		141
Conditions met - transferred to revenue		(104 462)
Conditions still to be met - transferred to liabilities (see note 5)	<u>-</u>	<u>-</u>
18.15 Provincial: Spatial Development Grant		
Balance unspent at beginning of year	-	259 469
Current year receipts		854
Conditions met - transferred to revenue		(260 323)
Conditions still to be met - transferred to liabilities (see note 5)	<u>-</u>	<u>-</u>

KING SABATA DALINDYEBU MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
18.16 Provincial: Vehicle Testing Station Grant		
Balance unspent at beginning of year	-	591 356
Current year receipts		1 011
Conditions met - transferred to revenue		(592 367)
Conditions still to be met - transferred to liabilities (see note 5)	<u>-</u>	<u>-</u>
18.17 Other: Masakane Youth Eco Action Fund		
Balance unspent at beginning of year	-	46 726
Current year receipts		4
Conditions met - transferred to revenue		(46 730)
Conditions still to be met - transferred to liabilities (see note 5)	<u>-</u>	<u>-</u>
18.18 Other: Mnweba Relief Grant		
Balance unspent at beginning of year	18 077	-
Current year receipts	68	18 369
Conditions met - transferred to revenue	(18 145)	(292)
Conditions still to be met - transferred to liabilities (see note 5)	<u>(0)</u>	<u>18 077</u>
18.19 National: Department of Housing and Local Government Grant		
Balance unspent at beginning of year	3 936 312	-
Current year receipts		3 936 312
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities (see note 5)	<u>3 936 312</u>	<u>3 936 312</u>
18.20 Provincial: MTAB Grant		
Balance unspent at beginning of year	3 760 469	-
Current year receipts		3 760 469
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities (see note 5)	<u>3 760 469</u>	<u>3 760 469</u>
18.21 National: Urban Renewal Grant		
Balance unspent at beginning of year	500 059	-
Current year receipts		500 059
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities (see note 5)	<u>500 059</u>	<u>500 059</u>
18.22 National: Electricity Regulator (NER)		
Balance unspent at beginning of year	2 918 535	-
Current year receipts		2 918 535
Conditions met - transferred to revenue	-	-
Conditions still to be met - transferred to liabilities (see note 5)	<u>2 918 535</u>	<u>2 918 535</u>

KING SABATA DALINDYEBO MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
18.23 Provincial KSD Stadium Grant		
Balance unspent at beginning of year	1 854 038	-
Current year receipts	123 689	1 984 870
Conditions met - transferred to revenue	(1 860 000)	(130 832)
Conditions still to be met - transferred to liabilities (see note 5)	<u>117 727</u>	<u>1 854 038</u>

18.24 Provincial: Municipal Systems Improvement Grant

Balance unspent at beginning of year	742 902	-
Current year receipts	27 421	892 902
Conditions met - transferred to revenue	(131 237)	(150 000)
Conditions still to be met - transferred to liabilities (see note 5)	<u>639 086</u>	<u>742 902</u>

18.25 Changes in levels of government grants

Based on the allocations set out in the Division of Revenue Act, (2004), government grant funding is expected to increase over the next financial years.

19 OTHER INCOME

Sundry Services Rendered	1 234 620	954 260
Other Income	1 068 358	1 680 609
Total Other Income	<u>2 302 978</u>	<u>2 634 869</u>

20 EMPLOYEE RELATED COSTS

Employee Related Costs - Salaries and Wages	92 926 775	84 219 624
Employee Related Costs - Contributions for UIF, Pensions and Medical Aids	26 025 581	23 708 178
Travel, Motor Car, Accommodation, Subsistence and Other Allowances	4 147 303	7 200 047
Housing Benefits and Allowances	9 456 339	9 895 640
Overtime Payments	4 749 704	7 420 067
Performance Bonuses	497 224	481 201
Long-service Awards	3 109 284	3 682 899
Total Employee Related Costs	<u>140 912 209</u>	<u>136 607 656</u>

There were no advances to employees. Loans to employees are set out in note 9.

Remuneration of the Municipal Manager

Annual Remuneration	622 323.65	854 104
Car Allowance	19 845.32	-
Company Contributions to UIF, Medical and Pension Funds	-	-
Total	<u>642 169</u>	<u>854 104</u>

KING SABATA DALINDYEBO MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	R	R
<i>Remuneration of the Chief Financial Officer</i>		
Annual Remuneration	287 867.42	398 249
Car/ Travel Allowance	27 747.60	90 298
Acting Allowance	24 850.50	3 130
Performance bonus	-	50 000
Company Contributions to UIF, Medical and Pension Funds	-	1 279
Total	340 466	542 956
<i>Remuneration of the Director: Community Services</i>		
Annual Remuneration	260 797.49	263 768
Car/ Travel Allowance	186 184.46	177 318
Acting Allowance	2 020.81	12 406
Cell phone allowance	2 400.00	4 000
Housing Allowance	24 232.95	23 079
Performance bonus	-	44 000
Company Contributions to UIF, Medical and Pension Funds	-	1 279
Total	475 636	525 850
<i>Remuneration of the Director : Infrastructure</i>		
Annual Remuneration	566 823.80	454 664
Car/ Travel Allowance	2 770.62	-
Acting Allowance	2 706.76	2 392
Housing Allowance	-	-
Performance bonus	-	84 000
Leave encashment	-	28 616
Long service bonus	-	-
13th Cheque	-	-
Locomotion Allowance	-	-
Company Contributions to UIF, Medical and Pension Funds	-	82
Total	572 301	569 754
<i>Remuneration of the Director : Corporate Services</i>		
Annual Remuneration	270 112.50	287 192
Car/ Travel Allowance	141 487.50	134 750
Acting Allowance	24 438.75	17 031
Housing Allowance	35 586.13	33 892
Performance bonus	-	44 000
Company Contributions to UIF, Medical and Pension Funds	-	1 279
Total	471 625	518 143
<i>Remuneration of the Director : Planning, Social and Economic Development</i>		
Annual Remuneration	544 870.88	518 700
Car/ Travel Allowance	7 942.37	-
Performance bonus	116 041.08	51 450
Long service bonus	-	-
13th Cheque	-	-
Locomotion Allowance	-	-
Cell phone Allowance	1 923.20	2 400
Company Contributions to UIF, Medical and Pension Funds	-	126
Total	670 778	572 676

KING SABATA DALINDYEBO MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	R	R
<i>Remuneration of the Director : Public Safety</i>		
Annual Remuneration	479 325.00	456 498
Acting Allowance	6 614.56	11 059
Performance bonus	-	84 000
Company Contributions to UIF, Medical and Pension Funds	-	1 284
Total	485 940	552 842

21 REMUNERATION OF COUNCILORS

Mayor	467 444.62	384 998
Speaker	388 089.76	337 727
Executive Committee Members	2 536 004.99	2 148 134
Councilors	8 528 445.71	5 514 840
Total Councilors' Remuneration	11 919 985	8 385 700

In-kind Benefits

The Executive Mayor, Deputy Executive Mayor, Speaker and Mayoral Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council. Councilors may utilize official Council transportation when engaged in official duties.

Certification by the Municipal Manager

I certify that the remuneration of Councilors and in-kind benefits are in accordance with the Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with that Act.

Signed: Caretaker Municipal Manager

22 INTEREST PAID

Long-term Liabilities	14 705 534	9 847 947
Bank Overdrafts and Other		861 484
Total Interest on External Borrowings	14 705 534	10 709 432

23 BULK PURCHASES

Electricity	43 920 943	49 963 959
Total Bulk Purchases	43 920 943	49 963 959

KING SABATA DALINDYEBO MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

		2006
		R
24 GRANTS AND SUBSIDIES PAID		
Other		16 846
Total Grants and Subsidies	-	16 846

26 CHANGE IN ACCOUNTING POLICY - IMPLEMENTATION OF GAMAP

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GAMAP:-

26.1 Loans Redeemed and Other Capital Receipts

Balance previously reported:-

137 919 155

Implementation of GAMAP

Transferred to Government Grant Reserve 83 792 996
 Transferred to Accumulated Depreciation 37 706 240
 Transferred to Accumulated Surplus/(Deficit) (See 26.5 below) 16 419 919
Total

137 919 155

26.2 Trust Funds

Balance previously reported:-

31 067 622

Implementation of GAMAP

Transferred to Unspent Conditional Grants and Receipts 27 225 229
 Transferred to Accumulated Surplus/(Deficit) (See 26.5 below) 3 761 096
 Transferred to Current liabilities - Other Creditors 81 297

81 297

Total

31 067 622

26.3 Property, plant and equipment

Balance previously reported:-

-

Implementation of GAMAP

- Revaluation of Infrastructure assets at 30 June 2004 credited to Accumulated Surplus/Deficit (See 26.5 below) 7 499 436
 - Cost of Other assets previously not recorded credited to Accumulated Surplus/Deficit (See 26.5 below) 831 630
 - Cost of Vacant Land previously not recorded credited to Accumulated Surplus/Deficit (See 26.5 below) 11 976 555
 - Correction of difference between Assets in FAR and Financial Statements credited to Accumulated Surplus/Deficit (See 26.5 below) 1 518 242

1 518 242

21 825 863

26.4 Accumulated Depreciation

Balance previously reported

-

KING SABATA DALINDYEBO MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

		2006
		R
Implementation of GAMAP		
Backlog Depreciation: Land and Buildings		(240 141)
Backlog Depreciation: Infrastructure		(11 992 808)
Backlog Depreciation: Community Assets		(8 573 987)
Backlog Depreciation: Other Assets		(14 510 637)
Backlog Depreciation: Housing		(2 388 667)
Total		<u>(37 706 240)</u>
26.5 Accumulated Surplus/(Deficit)		
Balance previously reported		
Plus/(Minus): Implementation of GAMAP		
Transferred from Loans Redeemed and Other Capital Receipts (See 26.1 above)		16 419 919
Transferred from Trusts Funds (See 26.2 above)		3 761 096
Fair value of Property, Plant and Equipment previously not recorded (See 26.3 above)		14 326 427
Revaluation of Infrastructure assets at 30 June 2004 (See 26.3 above)		7 499 436
Movement on unconditional Grants for the year ended 30 June 2005		(1 635 440)
Movement on Loans Redeemed and Other Capital Receipts for the year ended 30 June 2005		15 644 282
Total		<u>56 015 720</u>
27 CORRECTION OF ERROR	2007	2006
	R	R
During the year ended 30 June 2007 corrections were made and appropriated to the Accumulated Surplus Account.		
Details of the appropriations are as follows:		
Appropriations for the year	(126 787 472)	13 399 047
Correction to Property, Plant and Equipment		761 934
Correction of Unconditional Grants wrongly allocated to CRR		(1 422 038)
Decrease / (Increase) in accumulated surplus	<u>(126 787 472)</u>	<u>12 738 943</u>

KING SABATA DALINDYEBO MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007	2006
	R	R
28 CASH GENERATED BY OPERATIONS		
Surplus for the Year	29 712 970	(97 447 352)
Adjustment for:		
Correction of prior year Error	139 062 485	12 738 943
Depreciation	25 197 698	21 143 882
Asset changes	30 220 802	
Impairment loss		1 406 433
Provision for Bad debts	(97 214 359)	-
Difference in opening balance	(12 275 013)	-
Contribution to CRR		(324 338)
Contribution to GRR	1 020 409	(34 531 809)
Contribution to Self Insurance Reserve		(252 190)
Investment Income	(924 399)	(805 311)
Interest Paid	14 705 534	10 709 432
Gain on disposal of PPE	(2 129 200)	(14 482)
Operating surplus before working capital changes	127 376 927	(87 376 793)
 (Increase)/Decrease in Inventories	485 236	-
(Increase)/Decrease in Debtors	(11 572 756)	-
(Increase)/Decrease in Other Debtors	(5 035 529)	-
(Increase)/Decrease in Non-current assets held for sale	9 378 741	(9 378 741)
Increase/(Decrease) in Provisions	8 742 870	-
Increase/(Decrease) in Conditional Grants and Receipts	(24 886 659)	-
Increase/(Decrease) in Creditors	19 452 340	(31)
Decrease/(Increase) in VAT	7 221 712	-
 Cash generated by operations	131 162 882	(96 755 565)

29 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position:

Bank Balances and Cash	10 213 461	1 879 035
Bank Overdraft	(23 944 169)	(23 645 639)
 Total Cash and Cash Equivalents	(13 730 708)	(21 766 604)

30 UTILIZATION OF LONG-TERM LIABILITIES RECONCILIATION

Long-term Liabilities (See Note 2)	113 571 298	102 198 818
Used to finance Property, Plant and Equipment - at cost	-	-
Sub-total	113 571 298	102 198 818
 Cash set aside for the Repayment of Long-term Liabilities	-	-
Cash invested for Repayment of Long-term Liabilities	-	-

External loans have been utilized in accordance with the Municipal Finance Management Act.

KING SABATA DALINDYEBO MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

2007 2006
R R

31 UNAUTHORIZED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

31.1 Unauthorized Expenditure

Reconciliation of unauthorized expenditure:

Opening balance	-	-
Unauthorized expenditure current year		81 203 046
Approved by Council or condoned		(81 203 046)
Transfer to receivables for recovery	-	-
Unauthorized expenditure awaiting authorization	-	-
	<u>-</u>	<u>-</u>

Incident	Disciplinary Steps / Criminal Proceedings
<i>Over expenditure of approved budget</i>	<i>None</i>

31.2 Fruitless and Wasteful Expenditure

Reconciliation of fruitless and wasteful expenditure:

Opening balance	-	-
Fruitless and wasteful expenditure current year	91 981	501 553
Condoned or written off by Council	(91 981)	(501 553)
To be recovered – contingent asset	-	-
Fruitless and wasteful expenditure awaiting condonement	-	-
	<u>-</u>	<u>-</u>

Incident	Disciplinary Steps / Criminal Proceedings
<i>Hoigh Court Cases</i>	

31.3 Irregular Expenditure

There was no irregular expenditure during the financial year.

32 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

32.1 Contributions to organised local government - SALGA

Opening Balance	-	1 051 240
Council Subscriptions	571 590	539 236
Amount Paid - current year	(571 590)	(539 236)
Amount Paid - previous years		(1 051 240)
Balance Unpaid (included in Creditors)	<u>-</u>	<u>-</u>

32.2 Audit Fees

Opening Balance	34 044	13 082
Current year Audit Fee	948 789	833 497
Amount Paid - current year	(622 762)	(799 453)
Amount Paid - previous years	(34 044)	(13 082)
Balance Unpaid (included in Creditors)	<u>326 027</u>	<u>34 044</u>

KING SABATA DALINDYEBO MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

32.3 VAT

VAT inputs receivables and VAT outputs payables are included in Debtors and Creditors respectively. All VAT returns have been submitted by the due date throughout the year.

32.4 PAYE and UIF

Opening Balance	2 611 534	11 214 237
Current year Payroll Deductions	18 685 119	18 345 390
Amount Paid - current year	(18 685 119)	(18 275 890)
Amount Paid - previous years	(2 611 534)	(8 672 203)
Balance Unpaid (included in Creditors)	-	2 611 534

32.5 Pension and Medical Aid Deductions

Opening Balance	573 645	1 493 627
Current year Payroll Deductions and Council Contributions	27 539 484	28 924 983
Amount Paid - current year	(27 539 484)	(29 844 965)
Amount Paid - previous years	(573 645)	-
Balance Unpaid (included in Creditors)	-	573 645

32.6 Councilor's arrear Consumer

<u>Accounts</u>	<u>Total</u>	<u>Outstanding up to 90 days</u>	<u>Outstanding more than 90 days</u>
The following Councilors had arrear accounts outstanding for more than 90 days as at:			
30 June 2007			
Councilor Bodlani, B.S.	7 231	1 483	5 747
Councilor Pierce B.	1 950	-	1 950
Councilor Gwadiso J.P.	2 780	91	2 688
Councilor Sangovana E. M.	5 014	-	5 014
Councilor Lumkwana A.N.	28 576	569	28 007
Councilor sSobahle N.	3 652	299	3 353
Councilor Mantanga P.N.	5 801	256	5 546
Councilor Mlandu M.S.	4 883	254	4 629
Councilor Soldato F. N.	23 959	264	23 695
Councilor Ngcobo, F.R.S.	25 821	2 293	23 528
Councilor Ntlonze L.N.	8 010	283	7 726
Total Councilor Arrear Consumer Accounts	117 677	5 792	111 883

KING SABATA DALINDYEBO MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	Total	R Outstanding up to 90 days	R Outstanding more than 90 days
30 June 2006			
Councilor Bodlani, B.S.	1 089	1 089	-
Councilor Dondashe F.V.	15 705	1 352	14 353
Councilor Gwadiso J.P.	5 795	556	5 238
Councilor Kwetana K.N.	37 470	801	36 669
Councilor Lumkwana A.N.	30 123	1 419	28 703
Councilor Madalane L.H.	18 737	716	18 020
Councilor Mantanga P.N.	11 235	696	10 539
Councilor Mlandu M.S.	10 021	647	9 374
Councilor Mvusi N	356	356	-
Councilor Mzimane N.F.	43 404	678	42 726
Councilor Ngcobo, F.R.S.	7 478	5 820	1 658
Councilor Ngxisho G.V.	20 449	858	19 591
Councilor Ntlonze L.N.	19 338	719	18 618
Councilor Piece, B.	1 950	-	1 950
Councilor Sangovana, E.	4 828	38	4 790
Councilor Sobahle, Nomvuyo A.	7 761	757	7 003
Councilor Soldati N.F.	32 848	672	32 176
Councilor Tsipa K.W.	9 130	-	9 130
Total Councilor Arrear Consumer Account	277 716	17 177	260 538

Most of the councilors listed above had arrear accounts outstanding for more than 90 days.

32.7 Non-Compliance with Chapter 11 of the Municipal Finance Management Act

The Municipality has developed a supply chain management policy which was approved by Council on 29 September 2005. The Municipality has not established a supply chain management unit as required by paragraph 7 of the supply chain management regulations.

KING SABATA DALINDYEBO MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

	2007 R	2006 R
33 CAPITAL COMMITMENTS		
Commitments in respect of Capital Expenditure:		
- Approved and Contracted for:-	-	13 198 147
<i>Infrastructure</i>	-	13 198 147
<i>Community</i>	-	-
<i>Heritage</i>	-	-
<i>Other</i>	-	-
<i>Housing Development Fund</i>	-	-
<i>Investment Properties</i>	-	-
- Approved but Not Yet contracted for:-	-	-
<i>Infrastructure</i>	-	-
<i>Community</i>	-	-
<i>Heritage</i>	-	-
<i>Other</i>	-	-
<i>Housing Development Fund</i>	-	-
<i>Investment Properties</i>	-	-
Total Capital Commitments	-	13 198 147
This expenditure will be financed from:		
Provincial government	-	-
District Municipality	-	13 198 147
	-	13 198 147

34 RETIREMENT BENEFIT INFORMATION

Most councilors and employees belong to 2 defined benefit funds and 4 defined contribution funds administered by Provincial and National Pension Funds. These funds are subject to a triennial actuarial valuation. The last valuation was performed in June 2005 and interim valuations were performed between 2005 and 2006. These valuations indicate that the funds are in a sound financial position. Based on the confirmations received from the fund managers, the estimated liability of the funds is R 1,727.3 million which is adequately financed by assets of R 7,334.1 million.

An amount of R 18,5 million was contributed by Council in respect of Councilor and employees retirement funding. These contributions have been expensed.

KING SABATA DALINDYEBO MUNICIPALITY
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

35 CONTINGENT LIABILITIES

The Council envisage the following potential liabilities in the form of various litigation and arbitration cases:

- Land claim case pending in court:	R1 000 000
- Settlement re-Prof Gumbi	R1 280 000
- Settlement re-Adv. A.M. Bluhm	R150 000
- Mr F.V. Hintsu - Claim	R600 000
- Mr C.M. Manana - Claim	R200 000
- Ms B.P. Mbana Ex-Speaker Sect.	R150 000

36 CONTINGENT ASSET

37 IN-KIND DONATIONS AND ASSISTANCE

The Municipality did not receive any in-kind donation and assistance during the financial year.

38 PRIVATE PUBLIC PARTNERSHIPS

Council has not entered into any private public partnerships during the financial year 2006/2007.

39 EVENTS AFTER THE REPORTING DATE

There are no events subsequent to the reporting date which require to be reported on.

40 GOING CONCERN

These annual financial statements have been prepared on a going concern basis. There is however a possibility of a going concern problem as a result of the existence of the following material financial viability uncertainties that are reflected in the financial statements.

1) Current liabilities exceed current assets and the net current liability position seems to increase on an annual basis.

2) There is an annual increase in the consumer debtors balance which is largely due to the fact that existing consumer debtors do not pay their services accounts. The increase in consumer debtor balances is out of proportion to the increases in new consumers and is therefore indicative of the municipality's inability to collect consumer debtors.

KING SABATA DALINDYEBO MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2007

3) The municipality has a history of reported operating losses over the past several years

4) The municipality is largely dependant on an overdraft facility to fund its operations and is unable to generate positive cash flows from operations to fund its investing and financing activities.

41 EXEMPTIONS

The Minister of Finance has, in terms of General notice 552 of 2007 exempted compliance with certain of the GAMAP and GRAP standards and aspects or parts of these standards. All the exemptions offered have been implemented by KSD. The exemptions are the following:

- Accounting policies, changes in accounting estimates and errors.
- Revenue: Initial measurement of fair value, discounting all future receipts using an imputed rate of return.
- Inventories: The entire standard as far as it relates to immovable capital assets inventory that is accounted for in terms of GAMAP17. The entire standard as far as it relates to water stock that was not purchased by the municipality.
- PPE: Review of useful life of items of PPE recognised in the annual financial statements (GAMAP 17.69 – 61, 77). Review of depreciation method applied to PPE recognised in the annual financial statements (GAMAP 17.62, 77). Impairment of non-cash generating assets (GAMAP 17.64 – 69, 75(e)(v) - (vi)). Impairment of cash generating assets (GAMAP 17.63, 75(e)(v) – (vi)).
- Construction contracts (entire standard).
- Segment reporting (entire standard).
- Recognising operating lease payments / receipts on a straight-line basis if the amounts are recognised on the basis of the cash flows in the lease agreement (IAS 17.33 – 34 and 50 – 51 and SAICA circular 12/06.8 – 11).
- Defined benefit accounting as far as it relates to defined benefit plans accounted for as defined contribution plans and defined benefit obligation disclosed by narrative information (IAS 19.29, 48 – 119 and 120A(c) – (q)).
- Accounting for government grants: Entire standard excluding paragraphs 24 and 26, replaced by GAMAP 12.8, 17.25 and 9.42 – 46.
- Impairment of assets (entire standard).
- Intangible assets: The entire standard except for the recognition, measurement and disclosure of computer software and website costs (SIC 32) and all other costs are expensed.
- Financial instruments: recognition and measurement: Initially measuring financial assets and liabilities at fair value (IAS 39.43, AG79, AG64 – AG65 and SAICA circular 9/06).
- Investment property: The entire standard to the extent that the property is accounted for in terms of GAMAP 17.
- Business combinations: Entire standard.
- Non-current assets held for sale and discontinued operations: Classification, measurement and disclosure of non-current assets held for sale (IFRS 5.6 – 29 (in so far as it relates to non-current assets held for sale) and 38 – 42).
- Financial instruments: disclosures. Entire standard to be replaced by IAS 32 (AC 125) issued August 2006 and effective for financial statements covering periods beginning on or after 1 January 1998

APPENDIX A

KING SABATA DALINDYEBO MUNICIPALITY : SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2007

Details	Interest Rate	Loan Number	Redeemable	Balance at 30/06/2006	Received during the Period	Redeemed/ Written Off during Period	Balance at 30/06/2007	Carrying Value of Property, Plant & Equip
				R	R	R	R	R
LOCAL REGISTERED STOCK								
PIC	14.50%	UA01B		10 000 000	-	-	10 000 000	
PIC	10.30%	UA01C		-	-	-	-	
PIC	18.00%	UA01D		2 500 000	-	-	2 500 000	
PIC	14.00%	UA01E		-	-	-	-	
PIC	15.00%	UA01F		1 300 000	-	-	1 300 000	
PIC	13.40%	UA01G		13 180 600	-	-	13 180 600	
PIC	15.75%	UA45		10 000 000	-	-	10 000 000	
				36 980 600	-		36 980 600	
ANNUITY LOANS								
DBSA	5.00%	1221/103	2008	1 678 949	-	646 859	2 325 808	
DBSA	10.00%	1328/103	2008	1 361 252	-	647 547	2 008 799	
DBSA	15.00%	10875/102	2018	6 367 475	-	212 439	6 579 914	
DBSA	15.81%	13335/101	2005	-	-		-	
DBSA	8.34%	13335/201	2020	3 942 116	-	(67 684)	3 874 432	
				13 349 793	-	1 439 161	11 910 632	

APPENDIX A

KING SABATA DALINDYEBO MUNICIPALITY : SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2007

Details	Interest Rate	Loan Number	Redeemable	Balance at 30/06/2006	Received during the Period	Redeemed/ Written Off during Period	Balance at 30/06/2007	Carrying Value of Property, Plant & Equip
LEASE LIABILITIES								
MEEG	Prime	3008704699		13 971		12 760	1 211	
MEEG		3006815915		-			-	
MEEG	Prime +6%	3007375508		2 142		2 142	(0)	
MEEG	Prime +6%	3007375477		2 142		2 142	(0)	
MEEG		3006430612		-			-	
MEEG	Prime -1%	3011547329		19 074		19 074	(0)	
MEEG	Prime -1%	3011547345		172 159		60 915	111 244	
MEEG	Prime -1%	3011777974		12 081		12 081	0	
MEEG	Prime + 0.35%	3012250260		77 093		22 602	54 491	
MEEG	Prime + 0.35%	3012250317		77 093		22 602	54 491	
MEEG	Prime + 0.35%	3012250309		77 093		22 602	54 491	
MEEG	Prime + 0.3%	3011921943		86 371		25 337	61 034	
MEEG	Prime + 0.35%	3011921977		77 093		22 602	54 491	
MEEG	Prime + 0.3%	3011922004		86 371		25 337	61 034	
MEEG	Prime -1.5%	3012472131		134 368		38 719	95 649	
MEEG	Prime - 1.05%	3012472199		138 371		38 726	99 645	
MEEG	Prime - 1.05%	3012472220		138 596		38 700	99 896	
				1 114 016		366 341	747 675	
ACCRUED INTEREST				50 754 409	13 173 701		63 928 110	
TOTAL EXTERNAL LOANS				102 198 819	13 173 701	1 805 502	113 567 018	-

Other Costs in accordance with MFMA
R

APPENDIX B

KING SABATA DALINDYEBO MUNICIPALITY : ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2007

Description	Cost							Accumulated Depreciation					Carrying Value
	Opening	Additions	Impairment loss	Revaluation	Transferred (to)/from Non-	Disposals	Closing	Opening	Additions	Transferred to Non-Current Assets held for	Disposals	Closing	
	Balance				Non-		Balance	Balance				Balance	
	R	R	R	R	R	R	R	R	R		R	R	R
Land and Buildings													
Farms	-	-	-	-	-	-	-	-	-	-	-	-	-
Hostels: Public and Tourist	-	-	-	-	-	-	-	-	-	-	-	-	-
Hostels: Workers	-	-	-	-	-	-	-	-	-	-	-	-	-
Land	24 287 234	-	-	-	-	-	24 287 234	-	-	-	-	-	24 287 234
Vehicle Testing Station	4 536 723	-	-	-	-	-	4 536 723	(1 771 928)	(874 227)	-	-	(2 646 155)	1 890 568
Workshops and Depots	1 300 000	-	-	-	-	-	1 300 000	(303 333)	(43 333)	-	-	(346 667)	953 333
	30 123 957	-	-	-	-	-	30 123 957	(2 075 262)	(917 560)	-	-	(2 992 822)	27 131 135
Infrastructure													
Access Control	-	-	-	-	-	-	-	-	-	-	-	-	-
Aprons	-	-	-	-	-	-	-	-	-	-	-	-	-
Bridges, Subways and Culverts	82 400	-	-	-	-	-	82 400	(916)	(2 747)	-	-	(3 662)	78 738
Bus Terminals	115 000	-	-	-	-	-	115 000	(26 833)	(3 833)	-	-	(30 667)	84 333
Car Parks	10 488	-	-	-	-	-	10 488	(816)	(350)	-	-	(1 165)	9 323
Electricity: Cable Stations	-	22 259 129	-	-	-	-	22 259 129	-	(15 353)	-	-	(15 353)	22 243 775
Electricity: Supply & Reticulation	178 522 889	-	-	-	-	-	178 522 889	(24 866 190)	(8 257 503)	-	-	(33 123 694)	145 399 195
Electricity: Meters	8 163 720	62 415	-	-	-	-	8 226 135	(1 773 279)	(753 133)	-	-	(2 526 412)	5 699 723
Fencing	-	2 716	-	-	-	-	2 716	-	(2 677)	-	-	(2 677)	39
Footways	378 937	-	-	-	-	-	378 937	(5 421)	(25 262)	-	-	(30 684)	348 253
Outfall Sewers	-	-	-	-	-	-	-	-	-	-	-	-	-
Overhead Bridges	-	-	-	-	-	-	-	-	-	-	-	-	-
Paving	-	157 532	-	-	-	-	157 532	-	-	-	-	-	157 532
Purification Works	-	-	-	-	-	-	-	-	-	-	-	-	-
Public Works	3 858 000	-	-	-	-	-	3 858 000	(900 200)	(128 600)	-	-	(1 028 800)	2 829 200
Roads	92 829 612	37 210 532	-	-	-	-	130 040 144	(12 799 609)	(9 795 578)	-	-	(22 595 186)	107 444 958
Runways	-	-	-	-	-	-	-	-	-	-	-	-	-
Security Systems	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewerage Pumps	-	-	-	-	-	-	-	-	-	-	-	-	-
Sewers	144 503	-	-	-	-	-	144 503	(7 225)	(7 225)	-	-	(14 450)	130 053
Stormwater	250 000	-	-	-	-	-	250 000	(15 104)	(12 500)	-	-	(27 604)	222 396
Stormwater Drains	-	-	-	-	-	-	-	-	-	-	-	-	-
Street Lighting	1 174 370	-	-	-	-	-	1 174 370	(43 903)	(54 432)	-	-	(98 336)	1 076 034
Taxiways	3 499 914	-	-	-	-	-	3 499 914	(346 045)	(195 487)	-	-	(541 532)	2 958 382
Transformer Kiosks	-	-	-	-	-	-	-	-	-	-	-	-	-
Water: Meters	-	-	-	-	-	-	-	-	-	-	-	-	-
Water: Reservoirs and Tanks	-	-	-	-	-	-	-	-	-	-	-	-	-
Water: Rights	-	-	-	-	-	-	-	-	-	-	-	-	-
Water: Supply & Reticulation	-	-	-	-	-	-	-	-	-	-	-	-	-
	289 029 832	59 692 323	-	-	-	-	348 722 155	(40 785 541)	(19 254 681)	-	-	(60 040 222)	288 681 933

APPENDIX B

KING SABATA DALINDYEBO MUNICIPALITY : ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT AS AT 30 JUNE 2007

Description	Cost							Accumulated Depreciation					Carrying
	Opening Balance	Additions	Impairme nt loss	Revaluati on	Transferred (to)/from Non-	Disposals	Closing Balance	Opening Balance	Additions	Transferred to Non-Current Assets held for	Disposals	Closing Balance	Value
Community Assets													
Abattoirs	-	-			-	-	-	-	-		-	-	-
Cemeteries	360	-			-	-	360	(359)	-		-	(359)	1
Civic Theatres	-	-			-	-	-	-	-		-	-	-
Clinics and Hospitals	3 150 767				-	-	3 150 767	(720 067)	(105 683)		-	(825 749)	2 325 017
Community Centres	15 245 649	-			-	-	15 245 649	(3 058 105)	(502 019)		-	(3 560 124)	11 685 525
Fire Stations	3 606 333	-			-	-	3 606 333	(513 333)	(134 478)		-	(647 812)	2 958 522
Floodlighting	-	-			-	-	-	-	-		-	-	-
Fountains	-	-			-	-	-	-	-		-	-	-
Game Reserves and Rest Camps	-	-			-	-	-	-	-		-	-	-
Indoor Sports Facilities	-	-			-	-	-	-	-		-	-	-
Jukskei Pitches	-	-			-	-	-	-	-		-	-	-
Lakes and Dams	-	-			-	-	-	-	-		-	-	-
Libraries	1 501 936	-			-	-	1 501 936	(272 630)	(61 740)		-	(334 370)	1 167 566
Markets	-	-			-	-	-	-	-		-	-	-
Nurseries	-	-			-	-	-	-	-		-	-	-
Office Buildings	32 100 592	-			-	-	32 100 592	(4 968 293)	(1 179 322)		-	(6 147 615)	25 952 977
Outdoor Sports Facilities	321 676	-			-	-	321 676	(64 335)	(16 084)		-	(80 419)	241 257
Parks	1 115 000	-			-	-	1 115 000	(260 167)	(37 167)		-	(297 333)	817 667
Public Conveniences/Bathrooms	56 000	-			-	-	56 000	(13 067)	(1 867)		-	(14 933)	41 067
Recreation Centres	-	-			-	-	-	-	-		-	-	-
Stadiums	6 898 804	2 714 452			-	-	9 613 256	(1 603 240)	(229 960)		-	(1 833 200)	7 780 056
Swimming Pools	2 752 667	-			-	-	2 752 667	(609 000)	(93 203)		-	(702 203)	2 050 464
Tennis Courts	-	-			-	-	-	-	-		-	-	-
	66 749 784	2 714 452	0	-	-	-	69 464 236	(12 082 595)	(2 361 522)		-	(14 444 118)	55 020 118
Heritage Assets													
Paintings	-	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-		-	-	-
Housing													
Housing Schemes	4 856 133	-			11 577 000	-	16 433 133	(1 111 133)	(586 826)	(2 233 000)	-	(3 930 959)	12 502 174
	4 856 133	-	0	-	11 577 000	-	16 433 133	(1 111 133)	(586 826)	(2 233 000)	-	(3 930 959)	12 502 174